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ARTICLES:

(1) DPJ's Hatoyama stresses party's opposition to new antiterrorism bill

YOMIURI ONLINE (Full)
November 8, 2007

Referring to the new antiterrorism special measures bill, Democratic Party of Japan (DPJ or Minshuto) Secretary General Yukio Hatoyama told the press corps in Tokyo this morning: "Basically, there is a major difference between the policy direction of the ruling parties

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and the thinking of the DPJ. We do not want to give our cooperation to war. We would like to cooperate in the civilian sector. That great difference cannot be simply covered over; we should proceed with our confrontational line." He reiterated the party stance of opposing the bill.

Meanwhile, the House of Representatives Special Committee on Stopping Terrorism held a directors' meeting this morning to discuss the timetable for adopting the new antiterrorism bill. The ruling camp side proposed that appellations and adoption of the bill be wrapped up on the 9th at the latest. However, the opposition camp side rejected adoption this week. The two sides will meet again for talks this afternoon, but the ruling parties' thinking is to avoid creating turmoil in Diet deliberations by ramming the bill through, so it will be difficult to have the Lower House adopt the bill this week. The ruling camp will decide today the length of the extension of the Diet session, which will close on Nov. 10, and it is expected to make a formal decision on that on Nov. 9, aiming to have the Lower House pass the bill next week.

In the directors meeting of the special committee, the ruling camp, taking into consideration that DPJ President Ozawa in his news conference on the 7th reiterated his stance of opposing the bill, proposed that the committee adopt the bill on the 8th, stating, "Since Mr. Ozawa has stated he is opposed, there is no room for debate." However, the opposition camp retorted, "There has not been sufficient deliberations on this bill."

(2) DPJ Secretary General Hatoyama expresses positive view about specific policy consultations with ruling camp

YOMIURI ONLINE (Full)
Nov. 8, 2007, 1:49 pm

Democratic Party of Japan (DPJ) Secretary General Hatoyama indicated in a TBS program this morning that the party would hold consultations with the ruling camp mainly on specific policies related to the people's daily lives. He said: "The DPJ should hold necessary policy consultations (with the ruling bloc). We would like to show that our views will be translated into law, like the bill amending the law to financially support people affected by natural

disasters."

Asked about the possibility of forming a coalition with the Liberal Democratic Party, Hatoyama said: "There is no possibility of a grand coalition. We will make utmost efforts to win the next general election. Until then, such an idea will never be turned into reality." He dismissed the possibility of the DPJ joining the ruling coalition before the next House of Representatives election.

(3) Ozawa makes fresh start as DPJ president, bowing deeply in apology

ASAHI (Page 2) (Full)
November 8, 2007

Democratic Party of Japan (DPJ or Minshuto) President Ichiro Ozawa officially retracted his resignation two days after he had abruptly announced it in a press conference. The main opposition party can now start moving again toward its goal to secure victory in the next House of Representatives election, putting an end to the turmoil that was caused by Ozawa's grand-coalition vision. Will the broken

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heart of Ozawa, known for taking a strong-armed approach, be healed? The DPJ, though, will have no time to spend on revitalizing itself as there are calls already for an early dissolution of the Lower House.

Concern about spearhead

"I won't be able to attend the meeting as I just held a press conference. I'm really sorry about that, for I wanted to join you," Ozawa last evening told Tamisuke Watanuki, former Lower House speaker. It was the first time for Ozawa to absent himself from attending a regular meeting of those Lower House members who have been elected 13 times to the Diet, including Watanuki, former Prime Minister Yoshiro Mori and former Lower House vice speaker Kozo Watanabe.

Ozawa had a drawn and haggard face while he was explaining his talks with Prime Minister Yasuo Fukuda in a meeting yesterday evening of the party's lawmakers from both Diet chambers. He throatily said: "I apologize to the public, DPJ supporters, party rank-and-file members, and party lawmakers." He said: "I should have revealed my intent from the start and should have made explanations in polite way. I made really awkward explanations."

He also explained why he had decided to resign: "I lost vigor for a moment." While saying that he did not have the keen eyesight he used to have, he seem to be close to tears as he received an appreciative applause from party lawmakers.

Most of the DPJ lawmakers were relieved to see Ozawa's modest attitude, which is unlike the man who was dubbed the "destroyer." Vice President Katsuya Okada told the press after the meeting, "He gave a clear account, offered an apology to the public, and expressed his determination to aim at political change in the election. I was convinced." Watanabe, who met with Ozawa at noon to give him encouragement, told Seiji Maehara and Okada on Nov. 6 at a Tokyo hotel: "Mr. Ozawa has changed. In the past, he would have quit before changing."

Has Ozawa changed or been weakened? On the night of Nov. 6, Ozawa asked Secretary General Yukio Hatoyama, "Do you think they understand me?" Ozawa's aide said: "It was hard to encourage (Ozawa). He could hardly speak this morning."

Ozawa stated in a press briefing yesterday: "I haven't completely recovered but I now think I should make efforts." There is concern about whether he can spearhead the DPJ in unifying the DPJ.

DPJ members determined to win general election

Ozawa, who withdrew his resignation, after disgracing himself in public, has no choice but to give up on the grand coalition idea in order for the party to win in the next general election.

In yesterday's meeting, Ozawa repeatedly used strong expressions as if to inspire himself. He said: "I'm resolved to stake my political life on the next general election. It will be extremely regrettable if we fail to bring about a DPJ-led government."

However, there is no change in his perception that the DPJ is in a severe situation, having said, "It is not that easy to win the Lower House election with the momentum from the victory of the July Upper

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House election." He also told senior party members that it was important to build a setup to win the election. He announced yesterday the setting of comprehensive election headquarters for the general election he heads as the first step for his fresh start as DPJ president. The party leadership gave a nod to establishing the panel based on Ozawa's request in order to let him devote his energy to campaigning for the general election, as well as to prevent him from working on a grand coalition with the government and ruling camp and political realignment.

In the DPJ, however, there is strong concern that the turmoil caused by Ozawa in connection with his meeting with Fukuda on the grand coalition idea would damage the party's image and have an adverse impact on the next Lower House election. In the meeting yesterday, former policy chief Yoshito Sengoku made a critical comment, however: "There is a great gap between the excitement in the DPJ and the public's feelings. The DPJ is in a critical situation."

In consideration of such critical views, Ozawa appears to be determined to aim at a change of government in the next general election, which he considers the last battle for him. As if to dispel the cooperative mood created by his meetings with Fukuda, he stated in yesterday's press conference his opposition to the new legislation to continue the Indian Ocean refueling mission: "Since we have differences in our basic philosophies, it won't be easy to solve (the refueling bill issue) with a split-the-difference approach."

(4) Illusory grand coalition concept; Mixed motives behind-the-scenes talks

NIKKEI (Page 2) (Slightly abridged)
November 7, 2007

After sending shock waves to political circles, the idea of forming a grand coalition government discussed between the top leaders of the ruling and opposition parties returned to square one. There is a rumor that Tsuneo Watanabe, chairman of the Yomiuri Shimbun Holdings, and former Prime Minister Yoshiro Mori were involved in the latest political theater that might have led to a political realignment. Why did the two party heads fail to reach an agreement on the grand coalition notion even though they met twice for discussion? The Nikkei verified the motives of the two sides that differed in the final stage.

Appearing on an NHK program on Nov. 6, Liberal Democratic Party (LDP) Secretary General Bunmei Ibuki described the Fukuda-Ozawa talks: "When seeing each other with a view to marriage, two persons meet for the first time through a matchmaker's good offices." The matchmaker in his remark means Watanabe, who has advocated the formation of a grand coalition, as well as the reintroduction of a multiple-seat constituency system.

Differences in explanations by Prime Minister Yasuo Fukuda, president of the LDP, and Ichiro Ozawa, president of the main opposition party Democratic Party of Japan (DPJ or Minshuto) about what they had talked about in their meetings have highlighted the existence of mediators.

Although the failure in coordination has toned down their enthusiasm about forming a grand coalition between the LDP and DPJ, it is safe to say that both Fukuda and Ozawa looked into the possibility of a

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grand coalition government. Moves eyeing on Fukuda-Ozawa talks started in early October when Fukuda assumed the prime minister's post.

Mori: Heads of LDP factions will agree with a grand coalition with DPJ

Prior to the second meeting on Nov. 2 between Fukuda and Ozawa, the atmosphere in the capital hill of Nagatacho was extraordinary. The information was dispatched from the religious sect Soka Gakkai, the main backer of the New Komeito that the two leaders would agree on three issues -- a grand coalition, a medium-size electoral system, and a permanent law. The New Komeito and Soka Gakkai were concerned that they were unable to see the whole picture of the Fukuda-Ozawa talks.

Predicting that Ozawa's grand coalition concept must be aimed at eliminating them, the New Komeito and the religious sect appeared to have tapped Fukuda's real intention through information warfare. New Komeito leader Akihiro Ota, who was informed by Fukuda about a grand coalition concept immediately before the Fukuda-Ozawa talks, only told Fukuda: "I rely on you."

There remained a sense of alarm toward the closed-door meetings in the LDP.

Chief Cabinet Secretary Nobutaka Machimura bustled about since morning that day, assuming that Yuji Tsushima and LDP policy chief Sadakazu Tanigaki -- heads of LDP factions -- would not easily accept a grand coalition concept, which was a complete surprise to them. Machimura met in succession with Mori and former Secretary General Nakagawa, who are advocates of a grand coalition. Mori told Machimura: "All faction heads have told me that they will accept the grand coalition idea."

Ozawa misread views in DPJ, Hatoyama suggest obtaining prime minister's post as condition for forming a grand coalition

DPJ Secretary General Yukio Hatoyama suggested to Ozawa, who returned to party headquarters during a two-hour recess from his meeting with Fukuda on Nov. 2, "If you are proposing a grand coalition idea, you will have to get the premiership." Should Fukuda give the premiership to Ozawa, the Fukuda cabinet would have to resign en masse and an election to nominate the prime minister would then take place. Knowing fully well that there was no possibility that the LDP would accept Ozawa as prime minister, Hatoyama offered the suggestion to Ozawa.

Ozawa appeared to have thought that he had received a positive response (to the grand coalition concept) from Hatoyama although he had suggested a specific condition for forming a grand coalition. After the restart of the second meeting, Fukuda asked Ozawa to form a coalition government. Ozawa responded, however: "Since this is an important issue, I will take it to my party."

Ozawa's political principle is that in order to accomplish an important job it is unavoidable to act arbitrarily in a way on one's own authority. Party members should abide by the decision made by the party heads.

For Ozawa, the heir of the former Takeshita faction, the successor to former Tanaka faction, which was known for its iron unity, taking

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the matter to his party meant just receiving a ceremonial approval.

The party executives, whom he had appointed, however, were all opposed to the idea of forming a grand coalition government with the LDP. He probably could not have believed his own ears, so he criticized the DPJ in a press conference on the 2nd, in which he announced his intention to resign as president of the DPJ. He then said: "The DPJ lacks strength in various areas. It will be difficult to win in the next Lower House election."

In a liaison meeting yesterday of the LDP executives, Fukuda, who

attended it after changing his planned schedule, explained his talks with Ozawa: "I had been feeling out the possibility of holding a meeting with him since our party was defeated in the July Upper House election. It was perfect timing."

The unusual Fukuda-Ozawa talks were realized through the intermediation of Watanabe and Mori. There was a sense of apprehension about a possible misunderstanding even before the talks started. Asked by the press about his view on a grand coalition, Fukuda responded in a straightforward manner: "Those who know about politics consider it. Those who don't consider it are not professional politicians."

(5) Reporters' roundtable on political situation -- Grand coalition plan continues to rock political community (Part 1)

NIKKEI (Page 4) (Abridged slightly)
November 8, 2007

The idea of forming a grand coalition that emerged in talks between Prime Minister Yasuo Fukuda (LDP president) and Democratic Party of Japan President Ichiro Ozawa turned out to be pie in the sky. Visibly disappointed, Ozawa announced his decision to step down as party president only to retract it days later, also exposing the weakness of the DPJ which is in danger of breaking up. All these developments unfolded in less than 10 days. The government and ruling camp also seem devoid of a master plan to break the impasse in the power-divided Diet. Political reporters discuss below what took place behind the grand coalition drama that failed, and how the political situation might now develop.

Truth about party-head talks

-- Who set up the party-head talks?

A: It seems that behind-the-scenes coordination started in early October immediately after Fukuda became prime minister. In his press conference yesterday to announce his decision to stay on, Ozawa revealed that "certain persons" had approached him with the idea of forming a coalition about two months earlier and that he met persons who called themselves Fukuda's "representatives" sometime after mid-October.

B: Ozawa did not reveal the names of the "certain persons," but those persons might be Yomiuri Shimbun Holdings Chairman Tsuneo Watanabe and former Prime Minister Yasuhiro Nakasone. The "representatives" were probably former Prime Minister Yoshiro Mori and former Secretary General Hidenao Nakagawa.

C: In early August, immediately after the DPJ won big in the (July) House of Councillors election, Ozawa was asked by DPJ midlevel

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members about the possibility of forming a grand coalition. In response, he said, "Although it would be a different story if the LDP proposed such an option, we will not bring that up from our side." He seems to have had that option in mind from the beginning.

D: A ruling party executive noted, "Ozawa asked, 'Please make it seem as if the idea came from your side.'" Ozawa unusually criticized the media, saying that what they had reported was groundless. According to Fukuda, it was a matter of the right timing.

-- What did they agree on at the party-head talks?

B: It is certain that Fukuda broached "talks on a coalition." He seems to have had an image of forming a coalition in the form of off-cabinet partnership and the DPJ producing some cabinet ministers after conducting policy-by-policy talks.

F: Speculation circulated that Fukuda offered specific cabinet posts, such as deputy prime minister to Ozawa; health, labor, and welfare minister to Naoto Kan; and land, infrastructure, and transport minister to Kenji Yamaoka. Fukuda denied such speculation, however.

C: About a permanent law governing the overseas dispatch of the SDF, they agreed on limiting dispatch to activities established on or authorized by UN resolutions. If (Fukuda) had accepted the Ozawa argument as is, it would have been a major shift in security policy, but the government simply took it as being allowed to establish special measures laws for those activities not based on UN resolutions.

-- What were the parties' reactions?

A: The LDP was positive to some extent about forming a coalition. In an executive meeting immediately after the Fukuda-Ozawa meeting on Nov. 2, Secretary General Bunmei Ibuki said, "It's vital to determine who should be cabinet ministers."

-- What were they going to do with coordination of electoral districts?

B: There was a rumor at one point that they would agree on reviving the multiple-seat constituency system. In reality, talks did not seem to get that far.

D: That would be good for constraining the New Komeito alone, but the single-seat system is widely accepted. Many would say, "Why now?"

C: Ozawa was the one who spearheaded the drive to introduce the single-seat system during the political realignment of the 1990s. If they had accepted the revival of the multiple-seat, what has the current system been all about?

-- What is the truth about Ozawa's resignation fiasco?

F: I hear that Fukuda looked really surprised when the DPJ rejected the coalition plan. I also hear that Fukuda complained, "I thought it was 90 PERCENT certain because Mr. Ozawa took it back to the party, saying, 'I will nail it down.'"

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E: Ahead of Ozawa's Nov. 4 resignation press conference, Yamaoka and others, greatly upset, made Ozawa add the phrase, "I will leave my future course to the party."

D: The observation on the morning of Nov. 5 was that dissuasion was only for form's sake. Deputy President Kan and Secretary General Hatoyama, who might have been held jointly responsible, desperately worked to dissuade Ozawa from stepping down.

C: At the press conference yesterday, Ozawa explained the past developments in detail, while insisting that he had not set up the party-head talks. As far as I can recall, Ozawa has never revealed what had happened behind the scenes to that extent. Now that his base in the party has weakened because of the series of developments, I think there is no other option but to take a modest attitude toward Ozawa.

A: It was profound that Ozawa called Tsutomu Hata, Kozo Watanabe, and Hajime Ishii, who bolted the LDP with him, to the hotel he was staying at on Nov. 6, the day he made up his mind to retract the resignation. He probably felt a sense of security that he could really "communicate" with them in the end.

(6) Reporters' roundtable on political situation -- Grand coalition plan continues to rock political community (Part 2)

NIKKEI (Page 4) (Abridged slightly)
November 8, 2007

Gains and losses

-- What did the DPJ gain or lose from this?

A: Ozawa said at the Nov. 4 press conference: "The DPJ lacks competence. Winning the next House of Representatives election will

be very difficult. Executives' rejection of the coalition plan is tantamount to a no-confidence vote against me." Those worlds are likely to have a lasting effect.

B: The biggest reason for persuading Ozawa to stay on as party president was fear in the party that he might leave the party with other Upper House members and form a coalition with the LDP. If 17 Upper House DPJ members moved to the LDP, the positions between the ruling and opposition camps would be reversed.

E: A mysterious list of 22 Upper House members who reportedly would follow Ozawa was circulated. A former LDP member, who was regarded as most likely to follow Ozawa, declared at a Diet term-based meeting on Nov. 5 that he would absolutely not leave the party and won applause.

F: A group of DPJ members, such as Yoshito Sengoku and Yukio Edano, who were keeping their distance from Ozawa, produced a list of those who were likely to follow Ozawa in the event he broke up with the party. Their conclusion was that no more than 13-14 would follow Ozawa.

C: I think Ozawa retracted his resignation because hardly anyone said to act together with him.

-- The party's image has been damaged.

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F: Deputy President Katsuya Okada, a possible successor to Ozawa, did not make any high-profile moves. A member close to Okada explained that he did not want to set a foot in the minefield twice in a row.

A: The case has hurt Hatoyama's reputation, as well. In the Nov. 6 term-based meeting, he was criticized for not being able to communicate with President Ozawa.

-- What about effects on the LDP?

D: An LDP member who returned to his home constituency last weekend said that a grand coalition was criticized as an illicit union.

B: At the same time, some are hopeful that a decline in support for the DPJ would provide a golden opportunity to railroad a new refueling bill and other legislation through the Diet.

C: Fukuda's gain or loss is not known yet. The Fukuda cabinet is largely regarded as a caretaker cabinet unable to display strong leadership, and that helped party members to rally around him to some extent. If he succeeds in performing stunts like a grand coalition, Fukuda's grip on the party would increase.

D: Taro Aso, who is aiming to become the next leader by keeping himself at arm's length with Fukuda, must be anxious at heart. Election Committee Chairman Makoto Koga and Policy Research Council Chairman Sadakazu Tanigaki also failed to exhibit leadership.

-- What about the New Komeito?

B: Some complained that Representative Akihiro Ota should send out more messages. In the Soka Gakkai, there is substantial distrust of Akihiro Ota, Kazuo Kitagawa, and others. One said: "I wanted them to show their mettle strong enough to call for a revival of the multiple-seat constituency system by taking advantage of the grand coalition plan."

D: There is an observation that the DPJ will not be able to submit a censure motion against the prime minister. A positive view has also emerged about readopting the new refueling bill in the Lower House if it was voted down in the Upper House.

-- (The grand coalition plan) has caused cracks in the united front of opposition parties.

F: The People's New Party, which forms a joint parliamentary group

in the Upper House, is angry, Deputy President Shizuka Kamei saying, "We did not receive any notice from the DPJ in advance."

(7) My viewpoint by Hiroshi Nakanishi: Explore common ground through policy talks

ASAHI (Page 17) (Full)
November 8, 2007

Hiroshi Nakanishi, professor of international politics at Kyoto University.

Ozawa's recent behavior came about unexpectedly. He turned around his party's confrontational line on his own judgment and, without signaling any message to the members of his own party and to the

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public, aimed at creating a grand coalition with the ruling bloc. When he found that his about-face was not accepted by the party, he offered his resignation as president. But persuaded by party executives to stay at the helm, he then retracted his intention to resign. I have no idea how far Ozawa had calculated when he aimed at a grand coalition, but it is safe to say that he perplexed voters and those around him.

His arbitrary decision made at a dizzying pace may be attributable primarily to his personality. But given the current situation in the Diet, where the ruling bloc holds a majority in the Lower House while the opposition bloc controls the Upper House, it would have been an unavoidable choice for the ruling Liberal Democratic Party (LDP) and the major opposition Democratic Party of Japan (DPJ), whoever leads the party, to have policy talks.

There are differences in methods, whether to promote a grand coalition scheme or to hold policy talks, and at what timing the party heads meet, but lawmakers appear to be sharing the feeling that nothing will be decided if the LDP and the DPJ fail to reach some kind of agreement. That's why Prime Minister Fukuda and Ozawa decided to hold a meeting, anticipating they shared similar feelings. The reason why the two held such a meeting at this point in time was probably because Fukuda's first trip to the United States as a prime minister in mid-November was approaching and also because the Antiterrorism Special Measures Law, the legal basis for the Maritime Self-Defense Force's (MSDF) refueling mission in the Indian Ocean, expired on Nov. 1.

Fukuda may have a strong desire to improve relations with the US, which receded in the latter days of the Abe administration. The US has repeatedly signaled a message calling for Japan to continue the refueling service. During his planned visit to the US, Fukuda is supposed to announce as a "souvenir" either the MSDF's continuation of the refueling mission or new operations to back the US.

However, Ozawa remained adamant in his view that "the Self-Defense Forces (SDF) should be in principle dispatched abroad in accordance with a United Nations resolution, so I can't agree to continue the refueling mission." Given this stance, bold action would seem necessary to break the deadlock. Meanwhile, Ozawa would have taken this situation as good timing to sell the grand coalition idea.

In the party heads meeting, both Fukuda and Ozawa reportedly exchanged views on a permanent law stipulating a framework for the SDF to be dispatched abroad. How Japan will be engaged in international security in the future is a matter of stronger interest for other countries than the Japanese public think. For instance, in January of this year, former Prime Minister Abe announced he would consider making a human contribution to the Provincial Reconstruction Team (PRT) in Afghanistan. The North Atlantic Treaty Organization (NATO) and countries involved, including Canada, remember Abe's statement and have been paying close attention to Japan's moves.

Some DPJ members favor allowing Japan to take part in a PRT. Participation in a PRT could become a choice for Japan to make in replace of the refueling mission, depending on how the international community will take Japan's participation in the PRT. Japan should

have to avoid a case of losing its international reputation by failing to participate in the reconstruction of Afghanistan as a result of the continuing head-on confrontation between the LDP and

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the DPJ. Japan should continue activities both (the LDP and the DPJ) can agree on and also continue efforts to broaden the sphere of those activities.

The important matter is for both sides to find common ground in dealing with domestic problems. If social welfare and economic policies, for instance, were stalled as a result of both sides, namely, the government/ruling bloc and the DPJ, being adamant in their respective positions, public outrage would be provoked sooner or later. Given the current state of the Diet, where the ruling parties control the Lower House and opposition bloc rules the Upper House, if the imbalance is not resolved for a while, it is unwise for the LDP and the DPJ to confront each other in vain.

One realistic path for both the LDP and the DPJ to follow is that by taking advantage of the recent party heads meeting, they could have policy talks covering diverse areas for the time being in order to keep enhance the living conditions of the country, and look for a timing for the Lower House to be dissolved after the 2008 budget bill and budget-related bills are all adopted. The results of an immediate election will have persuasiveness to a certain extent, so, whatever results may come out, I think it will become much easier than now to manage the Diet (after the Lower House election).

(8) Editorial: Five requests to DPJ with Ozawa to stay on as president

ASAHI (Page 3) (Full)
November 8, 2007

The major opposition Democratic Party of Japan's (DPJ) President Ozawa declared his decision to stay on as president. He rejected an idea of forming a grand coalition with the ruling Liberal Democratic Party (LDP) and noted he would make all-out efforts to win the next Lower House election.

The DPJ had been sitting on a shaky foundation since its President Ozawa recently met with Prime Minister Fukuda. Given that a grand coalition scheme presented by Ozawa to the party members was totally rejected by the party, prompting Ozawa to announce his intention to resign as party chief, the logical course for the DPJ to follow would have been to elect a new president and make a fresh start.

However, the DPJ by consensus dissuaded Ozawa to remain in the post. This move greatly disappointed those voters who until then had been supportive of the party. We now make five requests to the DPJ, which chose to make a fresh start under the current leadership lineup, as well as to its President Ozawa.

Arbitrary decision not allowed

There was a scent of factional politics from Ozawa's recent rash behavior, similar to that seen in the old LDP. Ozawa might have thought that once the head of the party made a decision, the party would follow it whether it was right or wrong.

This technique, however, is not acceptable even in the LDP at present, nor is it supposed to be acceptable in the DPJ, either, which attaches importance to reaching consensus through open debate. It is one political technique for the party to follow its president's decision, so, we do not necessarily reject it, but it is never acceptable for the top leader of the party to act arbitrarily

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on his own authority.

More open debate necessary in DPJ

Whether to form a grand coalition with the LDP is a very important

question, so it is never allowable for the party head to answer the question on his own judgment. In this regard, DPJ Deputy President Naoto Kan and its Secretary General Yukio Hatoyama are both to be blamed, as well.

The DPJ's landslide victory in this summer's Upper House election enhanced Ozawa's authority over the party. This was not a bad thing, but one ill effect of that was that the party came to rely on Ozawa for everything and was lacking in internal debate and communications.

One episode in this connection was when Ozawa contributed his personal views on Japan's refueling mission in the Indian Ocean to a magazine, thereby puzzling the party. The party needs to have more occasions for open debate. To this end, one idea may be to hold a presidential election after the current Diet session closes.

Need to improve policy-planning ability instead of forming a grand coalition

As the reason why he sided with the grand coalition idea, Ozawa cited the lack of the DPJ's ability to hold the reins of government. That may be true. In fact, since Ozawa took office as party president, the DPJ has conspicuously come out with unrealistic policies, like the one to finance the basic pension by taxes but without hiking the consumption tax.

What is necessary for the DPJ would be for it to improve its policy-planning capability as well as its ability to hold the reins of government.

Quick action desired

We have been dissatisfied with the DPJ's words and actions after the Upper House election. The party has become slow to act when it comes to the issues of strong interest to the public, for instance, the "politics-and-money" problem and the creation of a counterproposal to the government's new refueling bill.

The DPJ needs to better use its current position in the Upper House, which is now under the opposition bloc's control, and move politics forward. By using its leadership in the Upper House, the DPJ must take the lead in giving a new image of the Diet to the public.

Be positive about participating in individual policy talks with ruling bloc

The DPJ should be positive about holding talks with the ruling parties on individual policies. Regarding policies on which the DPJ and the ruling parties are wide apart, the DPJ should be flexible and compromise in order to put policies into action. Meanwhile, when it comes to subjects to which the DPJ cannot yield, the party should come up with a counterproposal.

The DPJ can revitalize itself if it is able to do politics flexibly at one point and snappily at another.

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(9) Prosecutors to raid former Yamada Corp. executive Miyazaki possibly this afternoon on charge of embezzling 100 million yen from the company

YOMIURI (Top play) (Lead paragraph)
November 8, 2007

Increasing the suspicion that the aviation and defense trading house Yamada Corporation's (in Tokyo) former Senior Managing Director Motonobu Miyazaki (69) and the former president (70) of Yamada Corporation's local company in the United States had embezzled at least 100 million yen from the local company's funds, the Tokyo District Public Prosecutors Office's task force decided to raid Miyazaki possibly this afternoon on charge of job-related embezzlement. Investigators have called on the former president now staying in the US to return home. The task force will also investigate former Vice Defense Minister Takemasa Moriya (63), whom

Miyazaki frequently entertained to golf courses, as to whether Miyazaki received special treatment over the receipt of order for defense equipment and whether there was a collusive relationship between Miyazaki and Moriya.

(10) Yamada Corp., listed as GE's agent in handouts distributed in meeting to select contractor for CX deal, contradicting Moriya's Diet testimony

YOMIURI (Page 39) (Full)
November 8, 2007

The Defense Ministry decided in a meeting of the Defense Ministry's equipment screening committee in August 2003 to select General Electric Co. (GE) of the United States as engine supplier for the CX next-generation transport aircraft. It has been revealed through an internal investigation by the ministry that Yamada Corp., a trading firm specializing aircraft and defense equipment in Tokyo, was listed as GE's agent in handouts distributed at the selection meeting. Testifying on Oct. 29 as a sworn witness before the House of Representatives' special antiterrorism committee that was looking his cozy ties with the company, former Vice Defense Minister Takemasa Moriya said: "I did not know Yamada Corp. would act as GE's sales agency." It is now suspected that Moriya perjured himself in his testimony.

In the selection meeting, committee members picked the engine made by GE after a comparative study of the products of three companies. The meeting was chaired by Vice Defense Minister Moriya and joined by the ministry's Technical Research and Development Institute head, the Ground, Air, and Maritime Self-Defense Force chiefs of staff, and others.

According to ministry officials concerned, more than a dozen pages of handouts describing the performance of the three engines and containing engine photos were distributed in the meeting. The handouts were collected after the meeting. The names of trading firms that would act as the three firms' agents were also listed. GE's agent was printed as Yamada Corp. All the three engines were qualified in terms of performance, but the product of GE was selected in view of its price and other factors.

Asked in the Lower House meeting whether he had known in the selection meeting that Yamada Corp. was GE's agent, Moriya replied: "I did not know." Several participants voiced doubts about

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the credibility of Moriya's testimony, one saying: "I knew that Yamada Corp. was designated GE's agent. It is unconceivable that Moriya didn't know."

(11) Defense Ministry's mid-ranking official joined travel arranged by defense contractor, suspected of violating SDF ethical code

YOMIURI (Page 39) (Full)
November 8, 2007

It has been found that a mid-ranking official at the level of an assistant section chief in the Defense Ministry's Equipment Procurement and Construction Office had joined a trip to China in September of last year arranged by Yamato Plastic Optical Co., a medical-equipment maker based in Tokyo that has supplied its products to the National Defense Medical College. The official and the company admitted what was revealed was true, but they said: "The official paid his own travel expenses." The Self-Defense Force code of ethics, however, prohibits defense officials from traveling with interested parties, including contractors, no matter whether their travel expenses are paid by those parties or not.

According to explanations by the defense official in question and Yamato Plastic Optical, the official belonged to the general affairs section of the college for about five years until 1995. Since his mother and the company president hail from the same district, the official developed a friendship with the president. The company arranged a four-day and three-night trip to Beijing from Sept. 15 of last year to commemorate the 40th anniversary of the establishment

of the company. About 1,000 employees and others took part in the tour, and more than 10 members of the Finance and Equipment Bureau of the then Defense Agency, including the official, accompanied them. This official also was named in Diet testimony in October as involved in a scandal of padded bills by Yamada Corp., a trading firm specializing in aircraft and defense equipment.

This official said: "When I was working for the National Defense Medical College, I was not in charge of making contracts with Yamato. I have no perception that my deed infringed on the ethical code." An executive of Yamato also said: "They (the officer and the president) are friends, so there is no problem with his having joined the trip."

(12) Editorial: Futenma issue must make headway

YOMIURI (Page 3) (Full)
November 8, 2007

The government has now resumed consultations with Okinawa Prefecture and its municipalities over the pending issue of relocating the US Marine Corps' Futenma Air Station. This time around, they need to make steady progress.

The government held a meeting of its consultative body with Okinawa Prefecture and its base-hosting localities for the first time in about 10 months. Tokyo and Okinawa have so far squared off over Futenma relocation and related issues, such as the government's entry into procedures to assess the potential impact of an alternative facility for Futenma airfield on the nearby environment. However, they are finally in a mood for talks.

In 1996, Japan and the United States reached an intergovernmental

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agreement to relocate Futenma airfield. After that, the issue of Futenma relocation strayed off course. As a consequence, the government called off its initial plan to relocate the heliport functions of Futenma airfield to a sea-based site in waters off Henoko Point in the island prefecture's northern coastal city of Nago. The folly of repeating the "lost decade" is not acceptable. The government should ensure local consent at an early date to its plan to lay down a V-shaped pair of airstrips in a coastal area of Camp Schwab.

The Futenma issue is a key to the realignment of US Forces in Japan, a challenge to mitigate Okinawa's base-hosting burden while maintaining the US military's deterrent capabilities. Futenma relocation is timetabled to be completed in 2014. The government must carry it out without fail, or Japan will not be seen as a reliable ally.

In yesterday's consultative meeting, Okinawa asked the government to move the site of a newly planned facility to an offshore area, citing noise and other impacts on the local quality of life as reasons. The government stressed that it would be difficult to revise the plan, taking the position that its plan is the best one.

The alternative facility, if moved to an offshore area, could amplify its impact on the marine environment. It could also face stronger opposition from environmentalist groups. Local residents living in the vicinity of the alternative facility's construction site will be most affected by noise. Among them, there are also some people saying there is no need to revise the plan.

The US government will not accept any revisions to the plan. Accepting revisions, even in part, could result in opening a Pandora's Box. The US military would then come up with a number of requests for revisions to the plan, such as extending the runways. In that case, the government says things will get out of hand.

The realignment of US forces in Okinawa is based on an integrated plan along with the relocation of Futenma airfield. Considering this, it is certain that a delay in Futenma relocation will have consequences for the relocation of 8,000 US Marines from Okinawa to Guam and also for the reversion of six US military facilities in the

central and southern parts of Okinawa Prefecture.

The government plan is for Okinawa Prefecture to mitigate its base-hosting burden. This landmark plan must not become pie in the sky, so we hope Okinawa Prefecture will no longer persist in its call for revising the government plan. We think Okinawa Prefecture should make a decision from the broader perspective.

The government's consultative body with Okinawa Prefecture used to be co-chaired by the defense minister and the minister of state for Okinawa. This Futenma panel has now been raised in status, with the chief cabinet secretary presiding. In the past, former Defense Minister Fumio Kyuma was swayed by Okinawa's call for revisions to the government plan. As seen from this fact, the government was out of step. The government should now hold talks with Okinawa Prefecture and its base-hosting localities under the prime minister's initiative.

Futenma relocation is now in the doldrums. Meanwhile, the government has earmarked 10 billion yen in its incentive budget for fiscal 2007 to develop Okinawa Prefecture's northern districts. However, its

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execution has been frozen. In May, the Diet enacted a law for special measures to promote the realignment of US Forces in Japan. The government designated base-hosting municipalities to be subsidized under the law. However, the government decided not to subsidize Nago and some other municipalities.

There was a backlash from the heads of base-hosting municipalities in Okinawa Prefecture. However, it is unreasonable to continue such incentives for them pending their cooperation on base issues. Also, the government would not be able to get public understanding amid its dire fiscal straits.

(13) Voluntary global warming gas emissions cut action program: Differences in goals set by industrial circles; Only seven industries set goals at level higher than track records; 18 million tons of additional emissions cuts per year reported

ASAHI SHIMBUN (Page 10) (Slightly abridged)
November 6, 2007

A joint council of the Ministry of Economy, Trade and Industry (METI) and the Environment Ministry on Nov. 5 probed into how industrial circles are addressing their voluntary action programs aimed at cutting global warming gas emissions, such as whether they have raised their reduction goals. METI released an estimate that raising reduction goals, combined with changes made to the programs, would cut approximately 18 million tons of global warming gases a year. This is equivalent to 50 PERCENT -90 PERCENT of the additional reduction goal of 20-34 million tons the government has to attain in order to achieve the goal set under the Kyoto Protocol. Differences in efforts by various industries are visible.

The results of examining the programs set by 39 industries under METI's jurisdiction were released on Nov. 5. With the Japan Mining Industry Association raising its goal, 18 industries have achieved approximately 15.7 million tons of additional cuts. The amount, combined with approximately 2.8 million tons to be achieved as a result of eight industries having raised their goals last year, is equivalent to about 1.5 PERCENT of the 6 PERCENT cut Japan pledged, based on the Kyoto Protocol.

However, though 25 industries attained their original goals, seven of them, including the Japan Construction Equipment Manufacturers Association, left their goals unchanged. Even among the 18 industries that raised their goals, only seven industries, such as the Japan Paper Association, adopted goals that were stricter than their track records. Eleven industries, such as the Petroleum Association of Japan, set new goals below their fiscal 2006 levels.

Though goals were achieved based on energy consumption and CO2 emissions per set amounts of economic activity, actual emissions by eight industries increased from the 1990 level.

One member of the council during the meeting pointed out, "A certain amount of praise can be given to industrial circles, but the 11 industries that set new goals at a level below their track records should raise their goals."

(14) Articles of faith in Japan's technology collapses due to collapse of bridge under construction in ODA project in Vietnam: Voices skeptical of tied aid growing; No government and corporate officials pay visit victims at hospitals

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ASAHI (Page 8) (Excerpts)
November 8, 2007

The collapse of a bridge under construction by a leading Japanese general construction contractor occurred in southern Vietnam turned out to be the worst disaster in the history of the Japanese government's official development assistance (ODA), with casualties exceeding 130. The work was being undertaken as tied aid with a Japanese side taking the initiative from the planning phase and contractors limited to Japanese companies on the pretext that Japan's high technical power should be used. The accident has damaged the Japan brand of ODA. Voices questioning the way ODA projects are being implemented are growing louder.

The accident took place in My Hoa, a village located in Mekong Delta, 150 kilometers southwest of Ho Chi Minh City. Following the major accident, which left 54 people dead and 80 people injured, Bao Thanh Nien, a Vietnamese daily, criticized that it was a mistake to have left both construction and supervision to companies of the donor nation (Japan).

This project was tied aid, in which contracts are awarded only to Japanese companies. The interest rate of the loan extended for tied aid is 0.95 PERCENT a year, which is lower than rates applied to ODA projects in general.

Facing criticism from European countries and the US, the government reduced the number of projects categorized under tied aid. As a result, the number of contracts awarded to Japanese companies sharply dropped. Business circles opposed the move. The government then restored tied aid in some areas on the pretext that Japan's highly advanced technology should be made use of.

An interim report on this project was issued by an outside party, consigned by the Japan Bank for International Cooperation (JBIC). It noted that since the high quality and appropriate control of the construction process by Japanese companies deserve high praise, good results can be obtained, though the price of the project is costly. Nevertheless, the accident occurred. Resident staff members of Japanese companies operating in Vietnam are dismayed at the accident, noting that the project was financed with tax money, and yet, the companies in charge of it damaged the image of Japanese brands that other industries have cultivated.

On Oct. 26, a month after the accident Taisei Corporation, a company that was in charge of the construction, decided to demote two executives responsible for the project and have all executives return part of their salaries. However, some are skeptical about whether the company would have taken such light disciplinary actions if the accident had occurred in Japan.

The cause of the accident is reportedly attributable to the collapse of columns supporting the bridge girders. It was revealed through an investigation by the Vietnamese national investigative committee (NIC) that a consulting company pointed out the need to reinforce the supporting columns and the presence of that memo was confirmed. However, the general construction contractor refused to give an explanation, noting that the NIC has requested it not say anything. Local papers remain dissatisfied.

The Vietnamese government is outwardly showing a stance of giving

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consideration to the Japanese side with Vietnamese President Nguyen Minh Triet saying, "The Japanese government and companies are positively cooperating for efforts to determine the cause of the accident." Behind this stance is the fact that the nation receives 52 PERCENT of bilateral aid from Japan (in 2004). However, with some pointing out the possibility of Prime Minister Dung losing face, the accident will likely affect Japan-Vietnam relations in a delicate manner.

Vietnam is the third largest recipient of Japan's aid, following India and Indonesia. Voices calling for proving into the way ODA projects have been carried out, such as the propriety of extending tied aid and measures to deal with accidents, learning lessons from the accident, are being heard in political circles as well. Lower House member Koichi Yamauchi of the LDP said, "The Foreign Ministry (MOFA) should dispatch its own inspection team and compile a manual to handle accidents that occur in ODA projects. There are matters to attend to, such as offering an apology to individual members of the families of the victims. MOFA lacks a sense of crisis."

SCHIEFFER